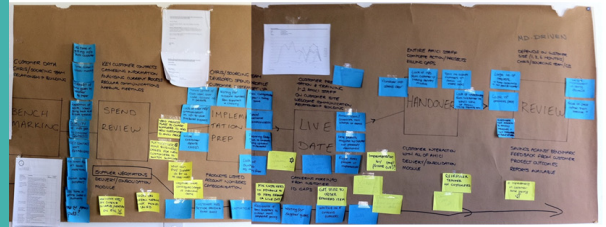


Amici Procurement Solutions provides cutting edge sourcing solutions to companies across the Lifescience industry and beyond. Founded in 2005 the company has seen substantial growth and now has over 1 million products within its portfolio. Amici guarantees to deliver substantial savings to its client base along with improved supplier performance and improved procurement processes.

Process Map



Lean Team

Fiona Young
Sourcing Operations Manager

Chris Roarty
Purchasing Analyst

Donna Anderson
Buyer

Stephen de Jong
Database Manager

Why Lean

Amici is a very ambitious company with an objective of every laboratory in the country using its services. In order to achieve this, the company is aware that they need to achieve more with the same resources to enable growth in a structured and efficient manner. Their success to-date has been excellent however the company recognises that many of the processes could be made Lean and staff would benefit from a true understanding of the whole philosophy of Lean Management.

Lean Project

The project began with the selected team taking a high level analysis of the core activity of the business i.e. taking a customer from initiation through to take-up of the services. Having mapped activity at a high level it became clear that the project would need to focus on the implementation process.

Lean tools utilised

Activity commenced with the aforementioned high level process map and continued with further concentrated mapping which drilled down into all aspects of the business. As Amici takes on a new customer, preparing for implementation is a major hive of activity and the team recognised that there were high elements of waste within this particular area.

The team utilised the 7 Wastes analysis tool and they documented opportunities for improvement under the following headers:

- Defects / re-work
- Over production
- Waiting
- I.T.
- Customer time
- Duplication
- Inventory / stock

Highlighting these wastes led the team to focus on root cause analysis using the Why Why framework.

Problem and Objective Statements

Whilst using the Lean tools, the team were able to create a problem statement as follows:

'In 2011 business performance has been to implement 1 new customer per month!'

From this the team created an objective statement for the project as follows:

'In order to achieve its growth plans, Amici will need to implement two new customers per month with no additional resource!'

The analysis undertaken by the team showed that approximately 150 hours per month are consumed in implementing a new customer, of which cross-matching consumes 20 hours and requests post implementation consumes 37 hours.

Continuing the analysis

The team analysed resources across the business and discovered insufficient time was being allocated to negotiate discounts for customers and in the identification of appropriate ranges to be added to the procurement system. This highlighted the need to build better relationships with client companies at an early stage.

Lean Management Thinking Programme Amici Procurement Solutions Case Study

Detailed activity charts were created highlighting the current flow of work. As the team began to analyse the process using the Lean tools, they developed a new process which had a significant reduction in non value added activity. This new process had a target to reduce time spent on cross matching by 50% leading to a reduction in time spent on new customer request from 96 hours to 63 hours per month.

Changes made

Following on from the above detailed analysis, there have been 57 actions by the team and key changes to the process have now been made which include:

- Greater involvement and questioning of client needs
- The redesign of agendas for meetings
- Improved checklists
- Removal of non added value activity
- Redrafting of questionnaires
- Introduction of cross matched tables
- New supplier matrices

By Leaning out the process, the team identified smarter ways of working reducing manual processing and utilising this resource to:

- Increase the product range on the Amici system
- Negotiate better costs with suppliers
- Spend more time with key customers pre-implementation to create a good infrastructure for efficiency.

Overall, the team believe that they are beginning to see better relationships with customers, increased confidence in supplier negotiations, improved product ranges and fewer requests post implementation.

Benefits to the business

The new process will reduce operational costs by £13,000 per annum and customers will benefit with improved pricing and faster implementation. Amici feel that the financial impact will be greater than this once fully implemented and this will be measured over the next 12 months.

Environmental impact

During the project, an environmental audit was carried out and although there are no CO2 reductions directly related to this project, the whole Amici concept has an indirect environmental impact by assisting their clients to reduce CO2 emissions.

"I am delighted with the impact of this LEAN project at Amici. The LEAN way of thinking has challenged the team to get to the crux of any issue and not just plaster a short term solution. The team have been so enthused we have 5 LEAN projects currently on the go! This will make all the difference to the development of Amici and each member of the team in their personal growth."

Caroline Briggs, Managing Director

"Lean thinking is common sense but opened up a methodology which is logical and can be used to challenge any problem. I find I am using LEAN tools and thinking daily and have been teaching LEAN to my colleagues"

Chris Roarty, Purchasing Analyst

accelerate,

